



The
ERISA
Industry
Committee



CORE STRUCTURE FOR LIFE SECURITY PLAN

1. **Establishment of Uniform Service areas in the United States:** The federal government would establish uniform service areas for each of the LSP's core benefits.
2. **Establishment of Uniform National Standards:** To simplify administration, the federal government would establish uniform national standards for benefits included in the LSP.
3. **Employer's Role in LSP is Voluntary:** The LSP system should not be wholly dependent on the employer community. Employers would have the option of establishing formal relationships with one or more Benefit Administrators for their employees and their families.
4. **Assignment of Fiduciary or "Contract" Responsibility:** ERISA sets forth responsibility for ensuring that plan sponsors fulfill their benefit promises and responsibly manage plan assets. Under the new structure, the competing Benefits Administrators and their affiliates would assume the appropriate "fiduciary" or contract liability associated with the benefits they provide.
5. **Uniform Tax Treatment for Retirement, Health and Other Benefits:** Similar to current law, the federal government would establish favorable tax treatment for retirement, health, and other benefit savings. Employers would maintain the tax treatment they have in the current system.
6. **Simplified Nondiscrimination Rules:** Current complicated rules would be replaced with simplified standards. This would include benefit-based, "safe-harbor" designs to encourage broad-based availability of benefits.
7. **Participant Advocate:** Each Benefit Administrator would maintain an independent office of participant advocacy responsible for serving as an ombudsman for individual participants.
8. **Additional Benefits:** Competing Benefit Administrators will be free to offer optional benefits outside of the LSP's core benefits.
9. **Administrative Efficiencies:** Resulting from common benefit structures, combined retirement and health benefits and simplified communications and benefit processing.

THE ERISA INDUSTRY COMMITTEE

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Advocating the Employee Benefit and Compensation Interests of America's Major Employers